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MEMORANDUM FOR: Director of Central Intelligence  
 VIA : Acting Deputy Director for Administration  
 FROM : F. W. M. Janney  
 Director of Personnel  
 SUBJECT : Reimbursement for Travel Costs

REFERENCE : OGC's and D/Pers' memos same subj. dtd  
 2 May 77 and 7 June 77 respectively

1. Action Requested: None; for information only. The following is in response to your questions regarding the reimbursement of travel costs for Summer Interns.

2. Background: On 24 August 1976, the Director of Finance requested the Office of General Counsel to examine current Agency practices regarding the payment of travel expenses for student employees involved in the Agency's Co-op and Summer Intern Programs. In their reply dated 2 May 1977 (see Tab A), OGC stated that in their opinion there is legal authority to support such payments if included in the contract as part of compensation entitlements since contract employees are not subject to the classification schedules and their rate of pay is not fixed by law or regulation. They further stated that whether the Agency should continue to provide these benefits was basically a policy question to be resolved by appropriate authorities.

3. On 7 June 1977 a memorandum was forwarded to the Deputy Director for Administration by the Director of Personnel requesting approval to continue reimbursement of travel expenses for the Agency's undergraduate Cooperative Education Program. Approval was not requested for the payment of travel expenses for the Summer Interns following the 1977 program. As you know, the Agency does not pay EOD travel expenses for its new career employees unless they fall into a specific "hard-to-find" category. We did not feel that Summer Interns could be so categorized since we have always had an extremely large group of applicants from which to make our final selection. This year, for example, 850 inquiries were received from well-qualified students for 65 Intern positions. Most of the Summer Interns are with the Agency for only one summer and their salary range is from GS-07 to GS-10 while Co-op students

MORI/CDF Pages  
 1-2

ADMINISTRATIVE

usually spend at least one year with us on alternating quarters or semesters and are paid at the GS-03 to GS-07 rate. On 10 June 1977 the Deputy Director for Administration approved the Director of Personnel's recommendations (see Tab B).

4. There are no special funds that can legally be used to reimburse students for travel costs. However, the Credit Union will make loans to Summer Interns in an amount not to exceed \$1,000 with the proviso that the entire amount be repaid prior to the termination of their contract. In most cases this would be within a three-month period.

5. The contracts signed by the students in the current program provide for the payment of travel costs. The new policy will not become effective until 1978. Since legal authority does exist to continue to reimburse Summer Interns for travel expenses if included as part of their compensation entitlement, our policy in this regard can be reversed if you so desire.

(Signed) F. W. M. Janney

F. W. M. Janney

Attachments

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REMARKS:		
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